

## **FISCAL NOTE**

### **HB 1872 - SB 2008**

March 27, 2007

**SUMMARY OF BILL:** Enacts the "Virtual Public Schools Act" to authorize the Department of Education to establish a virtual school and permit an LEA or charter school to sponsor a virtual school. Defines a virtual school as an independent public school in which the school uses technology in order to deliver a significant portion of instruction to its students via the Internet in a virtual or remote setting.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$17,400,000**

**Increase Local Govt. Expenditures - \$17,400,000/Permissive**

#### **Assumptions:**

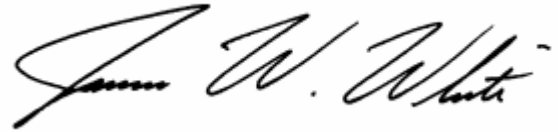
- According to the Department of Education, the department has partnered with eight local education agencies (LEAs) to develop content for an e-learning program in Tennessee. This pilot program is being funded through a three-year \$7,000,000 federal grant by the U.S. Department of Education. At the end of the pilot Tennessee will own the content which has been developed for the virtual school setting. The grant is expected to expire in 2008 at which time state funding will be required for delivery of the program.
- The Department of Education indicates that the following could affect the cost of implementation: the number of virtual schools established; the number of students enrolled in the programs; the number of teachers needed to maintain an appropriate student-teacher ratio; the existing technology resources available for LEAs; the number and types of courses to be offered via virtual schools; and professionals' status of technological proficiency.
- If LEAs are expected to provide Internet access, computer, printer, and all instructional materials to parents, then the cost per child would depend upon course specifications. This could differ greatly system to system depending on the number of students attending the virtual school.
- Depending upon the number of virtual schools established and student enrollment, the department estimates that the cost of delivery for this program could be expected to reach or exceed \$17,400,000 for both state and local governments. The provisions of this bill are permissive to local governments.

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- This estimate is based on a maximum of 25,000 student enrollments (20,000 high school and middle school students and 5,000 elementary school students).
- This estimate does not include expenses for instructional materials since these could be dependent upon the number of students enrolled, the grade level and type of courses administered, the number of virtual schools established, and the existing resources of an LEA.
- In addition, virtual schools would have an administrative office within the state.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director